

24 September 1975

MEMORANDUM FOR: Director of Personnel

SUBJECT : Survey of Position Management and Compensation
Division, OP

In keeping with our understanding, submitted under separate cover is my report of survey of PMCD. As discussed with you and your Deputy, and as noted briefly to the DD/A, the study outline initially provided was used as a guide in the survey. Certain suggested areas of "exploration" in that outline were not pursued because in light of the currency of documentation in PMCD, including studies of the Civil Service Commission in some of which PMCD participated quite actively, such "exploration" would have been, in my opinion, nonproductive or duplicative.

The report will have to speak for itself, but there are one or two general points I would like to make here. First, in PMCD I believe you have a dedicated, experienced and competent staff, well equipped to discharge its mission. This is not to say that PMCD is without fault or problems, but the base is good and faults can be corrected and problems solved. Second, while this survey will not, in all probability, contain any "new and startling" insights, it may reinforce some management concerns and the need for early and decisive corrective action, it may bring to mind some forgotten, or ignored, principles of position management and classification, and it will provide some concrete, practical recommendations which, if implemented and supported by all concerned, will, hopefully, lead to significant improvement in the Agency's management of manpower resources. These recommendations are set forth at appropriate points throughout the report. However, it might be helpful if I were to summarize here the most significant ones together with a brief note on the deficiencies they are designed to correct or the problems which they might be helpful in solving. I would also add that where recommendations call for regulatory amendments, or the promulgation of policy statements or other documentation, suggested drafts of such material are included in the body of the report.

A. Mission:

In order to ensure that all concerned are fully aware of the importance of, and need for, position management and grade control in the management of manpower resources and that the role of

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the Director of Personnel exercised through PMCD in these areas is understood, accepted and supported, it is recommended that:

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1. That the DCI issue as an Employee Bulletin or a Headquarters Notice, or both, a policy statement outlining his manpower resource management concerns and proposed actions to ensure better management in this area.

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2. [] be amended to establish, by regulation, the responsibility of the Director of Personnel to administer position management and grade controls and related areas of manpower resource management.

3. [] be amended to define, with some degree of precision, the totality of the Director of Personnel's/PMCD's mission for position management, classification and compensation and the nature of surveys which must be conducted to "audit" the continuing validity of organizational structures and position classifications.

B. Responsibility and Authority:

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In order to clarify manpower resource management responsibilities and authorities, to avoid duplication of effort and to focus on the need for the coordination or collaboration of diverse elements in the Agency in certain areas of manpower resource management, it is recommended that:

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1. [] be amended to include the Director of Personnel as a channel through which proposed organizational changes must flow to the DCI.

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2. Add to [] a new subparagraph, (j), which would give to the Director of Personnel, by regulation, the authority he already has by memorandum from the DCI to approve, subject to the Comptroller's concurrence, requests for increases in average grade and upper level ceiling.

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3. Delete from [], subparagraph (b), which would no longer be necessary in light of the above noted addition of subparagraph ([] (This deletion would require the renumbering of [] and e) to (b, c and d).

4. Amend [] (a and c) to provide for Comptroller and Director of Personnel collaboration in reviewing proposals: for significant manpower allocation or structure changes, for recommendations to the Director in these and related areas and for ensuring continuing review of manpower levels and allocations.

Approved For Release 2002/06/14 : CIA-RDP82-00357R000300020003-8

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Approved For Release 2002/06/14 : CIA-RDP82-00357R000300020003-8

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5. Amend [] by deleting the words "and the workload involved" since "workload" is supposedly not a criterion of position evaluation. (Note: [] would require amendment later if the factor-ranking/benchmark, or other uniform system of position evaluation is adopted.)

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6. Amend [] to levy responsibility on the Director of Personnel for periodic reporting to the DCI and the Deputy Director concerned for Personal Rank Assignments of supergrade personnel and nonsupergrade personnel assigned to supergrade positions. Also amend [], by adding a new subparagraph (3), to reflect the reporting requirement that would be imposed by the noted amendment to []

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7. Amend [] by providing for an Audit Staff review of existing Office of Personnel position management survey data prior to initiating "Agency resources" audits as defined in [] (2) (b) (2).

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8. Amend [] by replacing subparagraph (d) with a new subparagraph (d), (this will require renumbering the existing (d, e, f and g) to e, f, g and h), to require the Audit Staff to coordinate with the Director of Personnel on all audit findings and recommendations relating to position management and manpower utilization.

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C. PMCD - Organization and Staffing:

In order that PMCD may discharge the totality of its responsibilities, provide necessary position documentation, as well as the establishment, maintenance, and continuing update of standards, and develop and exercise the creativity essential to both the viability and currency of any position management and classification activities, it is recommended that:

1. The staff of PMCD be increased; the number (which to some degree be influenced by the degree to which recommendations in this report are approved and implemented) to be determined by the Director of Personnel.

2. A definitive plan for PMCD staffing be devised to ensure: (a) the continued existence of a core of "professional" classifiers or PMCD "careerists" and (b) a regular rotation of "other" careerists through PMCD (a tour of four years is recommended), a greater emphasis on "management" or "system analysis" orientation and/or such training for personnel assigned to PMCD.

3. The initiation on an immediate and urgent basis - even at the expense of a diminution or temporary cessation of cyclic surveys - of a program designed to provide "meaningful standards" for

Approved For Release 2002/06/14 : CIA-RDP82-00357R000300020003-8

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as many positions as possible. It is also suggested that this program utilize not only the work currently being done by PMCD on the new factor-ranking/benchmark system of the Civil Service Commission, but also the modular evaluation system used so successfully by PMCD with respect to certain positions in the Office of Communications. This suggestion is offered for several reasons including the fact that the modular system requires input from the operators and does away with the need for a multiplicity of job descriptions. One further thought - initial application to show what the system can do might be made in Division D, DDO; in the Information Services Group, CRS, DDI; with respect to scientific positions in DDS&T, and the Office of Joint Computer Support in DDA.

4. The recreation of a Standards Branch.

D. PMCD - Its Modus Operandi and Relationships with the Operators:

Even the critics admit the need for PMCD, its objectivity in discharging its responsibilities and the validity of surveys - though not necessarily on the current cyclic basis - which PMCD must conduct. Those same critics - with agreement from PMCD in many cases and disagreement in as many more - point up what, to them, are significant problems they encounter in dealing with PMCD. Rather than attempt any general recommendations in this area, it is suggested that you and your staff review the PMCD "poll" included in this report to determine those areas in which you think corrective internal action might be desirable and those in which the need for "operator education and support" are the primary requisite.

E. PMCD - Its Place in the Agency Hierarchy:

A question sometime discussed is whether or not PMCD can really do an effective job given its "remoteness" from top management and the multiplicity of channels through which its findings and recommendations must flow before, in many cases, decisions for actions can be made. Though a case could be made to move PMCD to a higher, more independent level of Agency management, in order to give it a more positive "say" in the management of manpower resources, it is recommended that so such relocation be effected. First, PMCD related activities are for the most part elements under the Director of Personnel or his counterpart [i.e., the Deputy Director General of the Foreign Service who is also the Director of Personnel in State, the Director of Civilian Manpower Management (DCM) in Navy] throughout Government and industry. Second, in the Agency the interrelationship of PMCD's functions with other policy and control responsibilities of the Office of Personnel dictate the need for the Director of Personnel to have these related activities under his direct control. However, it must

be recognized that these policy and control responsibilities might more properly be described as "staff" functions and different from what might be termed the "line" functions of personnel services or personnel administration activities such as recruitment, placement, etc. Further, that these "staff" responsibilities require, as was true under the Executive Director-Comptroller modus operandi, a different access to, direction from, and support of the highest level of Agency management. Thus, while it is recommended that PMCD remain where it is, that is, in the Office of Personnel, it is also suggested that consideration be given to clarifying the distinction - if there is indeed one to be made - between the staff and line responsibilities of the Director of Personnel and defining the mechanisms or channels by or through which these differing responsibilities can best be discharged.

F. Centralization vs Decentralization:

It is my opinion, shared by almost all interviewed in the course of the PMCD "poll", as well as many others with whom the point was discussed in the course of this survey, that decentralization of PMCD's functions - except to the degree used in the application of the modular evaluation system in the Office of Communications, is neither necessary nor desirable. However, if for any reason management would still wish to consider decentralization, it is recommended that no action to decentralize any of PMCD's functions be undertaken at this time. There are at least two reasons for this recommendation. First of all, the totality of PMCD's mission and responsibilities is neither understood nor accepted by the line managers to whom such decentralization would have to be effected and hence the need to get the basis for a centralized system clearly established before any thought can be given to any delegation of classification or other PMCD function or authority. Second, the position documentation and mutually understood job standards essential to any management system, especially one that is decentralized, simply do not exist to the degree necessary and must be developed to put the current centralized program on the desired firm footing. Only after these deficiencies are corrected could or should any consideration be given to decentralization because only then could a valid determination be made as to what function or functions of PMCD might be decentralized and to what level and with what constraints.

G. Administration of Supergrade and SPS Positions:

To meet the need for better administration of supergrade and SPS positions, it is recommended that:

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Approved For Release 2002/06/14 : CIA-RDP82-00357R000300020003-8

1. A joint, concerted effort be made by the Office of Personnel and the "operators" to develop more realistic job descriptions for supergrade and SPS positions.

2. PMCD using a combination of both the upcoming factor-ranking/benchmark system and factor analysis criteria of the Executive Evaluation System developed earlier (by a management consultant firm under contract to the Civil Service Commission) as part of the Federal Executive Program, undertake to construct a more objective method for the creation of standards for the evaluation of supergrade and SPS positions.

3. To help ensure a greater uniformity in the development and application of these processes, the Director of Personnel consider making one classifier in PMCD responsible for these and related phases of the administration of supergrade and SPS positions. This officer would, in effect, become the Office of Personnel specialist on supergrade/SPS problems, whether they be problems of promotion, ceiling, standards, position evaluation, the utilization of positions or personnel, or any regular, annual or other reviews of manpower resource management as they impacted on these executive levels.

4. In recognizing the requirement for involvement of the Director in matters of supergrade and SPS personnel, and in the absence of the Executive Director-Comptroller, the Director delegate to the DDCI, or such other senior officer he might choose, responsibility for final decision making authority on actions relating to such supergrade/SPS personnel and/or positions. It might also be noted that such a delegation might properly go to the Director for Management if the Rockefeller Commission's proposal for the establishment of that position is approved and implemented.

5. Looking to the future when hopefully the current salary "freeze" will be lifted, and recognizing the significant salary levels which would then be applied to supergrade and SPS positions, consideration be given to the establishment of upper/lower "salary limits" as opposed to "GS grades" for executive level positions. (A not entirely new idea.) Such a system, which might put a more realistic "value" on positions and provide a greater flexibility in "executive" level assignments is described in more detail in the body of this report. If found feasible "in principle," it might be initiated on a trial basis with respect to overseas stations.

Obviously these recommendations, if approved, will require the effort and cooperation of a host of individuals and components throughout the Agency; but whether or not they are approved or others and better ones substituted for them, it must be made absolutely clear to

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ADMINISTRATIVE - INTERNAL USE ONLY

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all that the requirement to manage manpower resources is a real fact of life in Government today - more real than even before - and all must do their part to see that Agency management is as good as, or better than, the rest of Government.

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One last note - but a most important one. Let me acknowledge, with thanks to you for their detail, the able and unstinting efforts of [redacted] in this study. I'll take the blame for any shortfalls - but credit for any contribution this study makes to better management of manpower resources is due in no small part to the hard work and professionalism of these fine officers.



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Atts.
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